

SOUTH CAROLINA STATE BUDGET AND CONTROL BOARD  
OFFICE OF INSURANCE SERVICES

NOTES TO COMBINED FINANCIAL STATEMENTS

CONTINUED

**1. Basis of Presentation and Summary of Significant Accounting Policies (Continued)**

Reporting Entity (Continued)

The South Carolina State Budget and Control Board, Office of Insurance Services, Insurance Reserve Fund and Health, Life, and Disability Insurance Reserve Fund are funds of the South Carolina State Budget and Control Board, which is a part of the State of South Carolina primary government. All funds of the Office of Insurance Services are included in this report and no other Offices or funds of the South Carolina State Budget and Control Board or any other part of the State of South Carolina primary government are included. Effective July 1, 1994, the Office of Insurance Services is one of four offices under control of the Division of Operations of the South Carolina State Budget and Control Board (the Board). All of the divisions of the Board reporting entity are under the control of the Executive Director of the State Budget and Control Board. The Board is composed of the Governor; the State Treasurer; the Comptroller General; the Chairman of the Senate Finance Committee; and the Chairman of the House Ways and Means Committee; all of whom serve in an ex-officio capacity.

The South Carolina State Budget and Control Board, formerly the Budget Commission, was established and created by Reorganization Plan No. 2 adopted by the General Assembly in 1950 pursuant to the terms and provisions of Act 621, Acts of 1948. Under the Act, ten state agencies were abolished as separate entities and their functions and duties were brought under the supervision of the Budget and Control Board. The funds and account groups of the Budget and Control Board are included in the Comprehensive Annual Financial Report of the State of South Carolina.

The Office operates as a unit under the Budget and Control Board and its Executive Director. The laws of the State and the policies and procedures specified by the State for State agencies are applicable to the Office's activities. The accompanying financial statements present the financial position and results of operations solely of the Office and do not include any other agencies or any component units of the State of South Carolina.

Basis of Presentation

The financial statements present all funds of the South Carolina State Budget and Control Board, Office of Insurance Services. The financial statements of the Internal Service Funds include the Balance Sheet; Statement of Revenues, Expenses, and Changes in Retained Earnings; and the Statement of Cash Flows.

The Internal Service Funds presented include

Insurance Reserve Fund (IRF)

Health, Life, and Disability Insurance Reserve Fund (HLDIRF)